

SOUTHERN UNIVERSITY AND A & M COLLEGE
PURCHASING DEPARTMENT
Post Office Box 9534
J.S. Clark Administration Annex Building
1st Floor East
Baton Rouge, Louisiana 70813

INVITATION TO BID (ITB):

DIRECT PURCHASE OF NATURAL GAS BY END-USER

Bids will be received at the above office until ***10:30 A.M.-May 18, 2006***
and at that time publicly opened. Bids received after above specified time will be
returned unopened.

BID OF: _____

ADDRESS: _____

TO: PURCHASING DEPARTMENT
Southern University
Post Office Box 9534
Baton Rouge, Louisiana 70813

The undersigned certifies that he or she has (or they have) carefully examined
the instructions to bidders, the general conditions and specifications here to attached and
made part thereof, and agreed to comply with such instructions. The undersigned
proposes to furnish any and all items hereto attached upon which prices are requested at
prices as stated for each item.

Bidder: _____
Company's Name

By: _____

Evidence of Authority to submit the bid shall be required in accordance with
R.S. 38:2212(a)(1)(c) and/or R.S. 39:1594 (c)(2)(d).

Date: _____

Telephone Number (____) _____

FAX Number (____) _____

BID NUMBER 9914

JOB SITE VISIT

**SOUTHERN UNIVERSITY AND A & M COLLEGE
BATON ROUGE, LOUISIANA**

*Vendor should inspect the job site prior to submitting a bid price on this project. If vendor finds conditions that disagree with the specifications as described in this proposal, or other features of the specifications that appear to be in error, same shall be note **three (3) working days prior to bid opening.***

Vendor may contact: ELI GUILLORY @ (225) 771-4740

_____ to schedule inspection prior to bid opening.

The signed statement certifies the vendor's name below has visited the proposed site and is familiar with all conditions surrounding fulfillment of the specifications for this project.

COMPANY _____

BY _____

*Evidence of Authority to submit the bid shall be in accordance with
R.S.38:2212(a)(1)(c) and/or R.S.39:1594(c)(2)(d)*

DATE _____

JOB SITE VERIFIED BY: _____

BID NUMBER 9914

INSURANCE AND INDEMNIFICATION

Before commencing work, (vendor/contractor and/or subcontractor) shall obtain at its own cost and expense the following insurance in insurance companies authorized in the State, with an **A.M. Best** rating of **A-:VI or higher** and shall provide evidence of such insurance to Southern University, as may be required by the Southern University. The policies or certificates thereof, shall provide that thirty (30) days prior to cancellation notices of same shall be given to Southern University Purchasing Department by return receipt requested, for all of the following stated insurance policies. All notices shall name the other party and identify the agreement or contract number.

- A. **Workers' Compensation - Statutory** - in compliance with the Compensation law of the State. Exception: Employers Liability is to be **\$1,000,000** when work is to be over water and involves maritime exposure. (A.M. Best's rating requirement mentioned may be waived for workers compensation coverage only.)

- B. **Commercial General Liability Insurance** with a minimum limit of liability per occurrence of **\$1,000,000** for bodily injury and property damage. This insurance shall include the following coverages:
 - 1. Premises - Operations
 - 2. Broad Form Contractual Liability
 - 3. Products and Completed Operations
 - 4. Use of Contractors and Subcontractors
 - 5. Personal Injury
 - 6. Broad Form Property Damage

- C. **Automobile Liability Insurance** with a minimum limit of liability per occurrence of **\$1,000,000** for bodily injury and property damage unless otherwise indicated in the contract specifications. This insurance shall include for bodily injury and property damage the following coverages:
 - 1. Owned automobiles
 - 2. Hired automobiles
 - 3. Non-owned automobiles

Note: If the vendor/contractor does not own an automobile and an automobile is utilized in the execution of the contract, then only hired and non-owned coverage is acceptable. If an automobile is not utilized in the execution of the contract, then automobile coverage is not required.

Location of All Operations Shall Be "All Locations".

EXHIBIT "A"

The _____ agrees to protect, defend, indemnify, save, and hold harmless the
{Contractor/Subcontractor/Lessee/Supplier}

State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expenses and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of _____, its agents, servants, and **{Contractor/Subcontractor/Lessee/Supplier}** employees, or any and all costs, expenses and/or attorney fees incurred by

_____ as a result of any claims, demands, and/or causes of action except
{Contractor/Subcontractor/Lessee/Supplier}

those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees.

_____ agrees to investigate, handle, respond to, provide defense for and
{Contractor/Subcontractor/Lessee/Supplier}

defend any such claims, demands, or suits at its sole expense and agrees to bear all other costs and expenses related thereto, even if they (claims, etc.) are groundless, false or fraudulent.

Accepted by _____
Company Name

Signature _____

Title

Date Accepted

Is Certificate of Insurance Attached?	Yes	No
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Contract No. _____ for **SOUTHERN UNIVERSITY**

PURPOSE OF CONTRACT:

SPECIAL CONDITIONS
BIDDER'S CERTIFICATION OF EEOC AND ADA COMPLIANCE

Southern University and A&M College Systems of the State of Louisiana is an equal opportunity employer and looks to its contractors, sub-contractors, vendors, and suppliers to take affirmative action to effect this commitment in its operations.

By submitting and signing this bid, the bidder certifies that he agrees to adhere to the mandates dictated by Title VI and VII of the Civil Rights Act of 1964, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Section 503 of the Rehabilitation Act of 1973; Section 202 of Executive Order 11246, as amended; and the Americans with Disabilities Act of 1990. Bidder agrees that he will not discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, disability, veteran status, or any other non-merit factor.

Bidder further agrees to keep informed of and comply with all Federal, State, and local laws, ordinances, and regulations which affect his employees or prospective employees.

Any person who is a "Qualified Individual with a Disability" as defined by 42 USC 12131 of the American with Disabilities Act who has submitted a bid on this procurement and who desires to attend the bid opening, must notify this office in writing no later than seven (7) working days prior to the bid opening date of their need for special accommodations. If the requested accommodations cannot be reasonably provided, the individual will be so informed prior to the bid opening.

R.S. 39: 1594 (Act 121)

Evidence of authority to submit the bid shall be required in accordance with R.S. 38:2212 (A)(1)(C) and/or R.S. 39:1594 (C) (2) (D).

"Signature Authority: In accordance with L.R.S. 39:1594 (Act 121) the person signing the bid must be:

1. A current corporate officer, partnership member or other individual specifically authorized to submit a bid as reflected in the appropriate records on file with the Secretary of State; or
2. An individual authorized to bind the vendor as reflected by an accompanying corporate resolution, certificate or affidavit; or
3. An individual listed on the State of Louisiana Bidder's Application as authorized to execute bids.

By signing the bid, the bidder certifies compliance with the above."

VENDOR PREFERENCES

In accordance with the Louisiana Revised Statutes 39:1595, a preference of 10% may be allowed for products produced, manufactured, grown or assembled in Louisiana of equal quality.

Do you claim this preference? Yes _____ No _____

SPECIFY ITEM NUMBER(S) _____

FAILURE TO SPECIFY ABOVE INFORMATION MAY CAUSE ELIMINATION FROM PREFERENCES.

SPECIAL CONDITIONS

Tax Information/State of Louisiana

In accordance with Act Number 1029 of the 1991 Regular Session, effective September 1, 1991 state agencies will no longer be required to pay state sales tax.

BID BOND

A bid bond, cashier's check, or certified check, in the amount of 5% of the total bid, made payable to Southern University and A&M College, must accompany each bid.

If a bid bond is used, it shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the Federal Register, or by a Louisiana domiciled insurance company with at least an A-rating in the latest printing of the A.M. Best's Key Rating Guide to write individual bonds up to ten percent of policyholders' surplus as shown in the A.M. Best's Key Rating Guide.

REQUIRED: Yes _____ No XXX 

PERFORMANCE AND/OR PAYMENT BOND

The successful vendor will be notified by letter to secure a Performance and/or Payment Bond equal to the contract sum, from a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the Federal Register, or by a Louisiana domiciled insurance company with at least an A-rating in the latest printing of the A.M. Best's Key Rating Guide or by an insurance company that is either domiciled in Louisiana or owned by Louisiana residents and is licensed to write surety bonds.

In addition, any performance and/or payment furnished shall be written by a surety or insurance company that is currently licensed to do business in the State of Louisiana.

The Bond must be received within twelve (12) days from the date of notification.

If the Bond is not received within this period of time, Southern University reserves the right to award to the next acceptable low bidder, or to reject all bids and re-advertise, whichever is in the best interest of Southern University and the State of Louisiana.

REQUIRED: Yes _____ No XXX 

BIDDERS MUST COMPLY WITH ALL REQUIREMENTS ON THESE PAGES. IF THIS PAGE IS NOT RETURNED WITH BID, CONFIRMATION THAT YOU ARE COMPLYING WITH ALL REQUIREMENTS WILL BE REQUIRED PRIOR TO AWARD.

SOUTHERN UNIVERSITY BATON ROUGE

Southern University Purchasing Department will receive sealed bids until the time and date(s) specified in this Invitation for Bid (IFB). No bid will be considered if received by the Purchasing Department after specified time and date(s). Beginning at that time, bids will be publicly opened, and read in the Conference Room- 1 st Floor East of the J.S. Clark Administration Annex Building, or otherwise made available.

Bids shall be mailed to:
Southern University
Purchasing Department
Post Office Box 9534
Baton Rouge, Louisiana 70813

As an alternative, bids may be hand delivered to:
Southern University
Purchasing Department
1 st. Floor East - James L. Prestage Drive
J.S. Clark Administration Annex Building
Baton Rouge, Louisiana 70813

Bids submitted are subject to provisions of La. R.S. 39:1551-1736; Purchasing Rules and Regulations; Executive Orders; the General Conditions; and Special Condition; and Specifications listed in this Invitation for Bid.

INSTRUCTIONS TO BIDDERS

1. Bid Forms

All written bids, unless otherwise provided for, must be submitted on, and in accordance with, forms provided, properly signed. Bids submitted in the following manner will not be accepted:

1. Bid contains no signature indicating intent to be bound;
2. Bid filled out in pencil; and
3. Bid not submitted on University standard forms.

Bids must be received at the address specified in the Invitation for Bids prior to bid opening time in order to be considered. Telegraphic and fax alterations to bids received before bid opening time will be considered provided formal bid and written alteration have been received and time-stamped before bid opening time.

2. Special Envelopes.

To assure consideration, all bids should be submitted in the special envelope if furnished for that purpose. In the event bid contains bulky subject material, the special bid envelope should be firmly affixed to the mailing envelope.

3. Standard of Quality.

Any product or service bid shall conform to all applicable Federal and State laws and regulations and the specifications contained in the IFB. Unless otherwise specified in the IFB, any manufacturer's name, trade name, brand name, or catalog number used in the specifications is for the purpose of describing the quality level and characteristic required. Bidder must specify the brand and model number of the product offered in his/her bid. Bids not specifying brand and model numbers will be considered as offering the exact products specified in the IFB.

4. Descriptive Information.

Bidders proposing an equivalent brand or model should submit the bid information (such as illustrations, descriptive literature, technical data) sufficient for the University to evaluate quality, suitability, and compliance with the specifications in the IFB. Failure to submit descriptive information may cause bid to be rejected. Any change made to a manufacturer's published specification submitted for a product shall be verifiable by the manufacturer. If item(s) bid do not fully comply with specifications (including brand and/or product number), bidder must state in what respect the item(s) deviate. Failure to note exceptions on the bid form will not relieve the successful bidder(s) from supplying the actual products requested.

5. Bid Opening.

Bidders may attend the bid opening, but no information or opinions concerning the ultimate contract award will be given at the bid opening or during the evaluation process. Bids may be examined 72 hours after request is made. Information pertaining to completed files may be secured by visiting the Purchasing Department during normal working hours. Written bid tabulations will not be furnished.

GENERAL CONDITIONS

Southern University reserves the right to award items separately, grouped or on an all-or-none basis and to reject any or all bids and waive any information

1. Prices.

Unless otherwise specified by the Purchasing Department in the IFB, bid prices must be complete, including transportation, prepaid by bidder to destination. Bids other than FOB destination may be rejected.

2. Payment Terms.

Cash discounts for less than 30 days or less than 1% or greater than 5% will be accepted, but will not be considered in determining awards. On indefinite quantity term contracts, cash discounts will be accepted and taken but will not be considered in determining awards. Bids containing "payment in advance" or "COD" requirements may be rejected. Payment is to be made within 30 days after receipt of properly executed invoice or delivery, whichever is later.

3. Deliveries.

Bids may be rejected if the delivery time indicated is longer than that specified in the IFB.

4. Taxes.

Vendor is responsible for including all applicable taxes in the bid prices.

5. New Products.

Unless specifically called for in the IFB, all products for purchases must be new, never previously used, and the current model and/or packaging. No remanufactured, demonstrator, used or irregular product will be considered for purchase unless otherwise specified in the IFB. The manufacturer's standard warranty will apply unless otherwise specified in the IFB.

6. Contract Renewals.

Upon agreement of Southern University and the contractor, an open-ended requirements contract may be extended for two (2) additional twelve (12) month periods at the same prices, terms and conditions. In such cases, the total contract term cannot exceed thirty-six (36) months.

7. Contract Cancellation.

Southern University has the right to cancel any contract, in accordance with Purchasing Rules and Regulations, for cause, including but not limited to, the following: (1) failure to deliver within the time specified in the contract; (2) failure of the product or service to meet specifications, conform to sample quality or to be delivered in good condition; (3) misrepresentation by the contractor; (4) fraud, collusion, conspiracy or other unlawful means of obtaining any contract with the state; (5) conflict of contract provisions with constitutional or statutory provision of state or federal law; (6) any other breach of contract.

8. Default of Contractor.

Failure to deliver within the time specified in the bid will constitute a default and may cause cancellation of the contract. Where the state has determined the contractor to be in default, the state reserves the right to purchase any or all products or services covered by the contract on the open market and to charge the contractor with cost in excess of the contract price. Until such assessed charges have been paid, no subsequent bid from the defaulting contractor will be considered.

9. Order of Priority.

In the event there is a conflict between the Instructions to Bidder or General Conditions and the Special Conditions, the Special Condition shall govern.

10. Applicable Law.

All contracts shall be constructed in accordance with and governed by the laws of the State of Louisiana.

11. Equal Opportunity.

By submitting and signing this bid, bidder agrees that he will not discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, disability, veteran status, or any other non-merit factor.

BID NUMBER 9914
OPENING DATE MAY 18, 2006
10:30 A.M.

INVITATION TO BID
DIRECT PURCHASE OF NATURAL GAS BY END-USER

SOUTHERN UNIVERSITY- BATON ROUGE CAMPUS

INFORMATION FOR BIDDERS AND GENERAL CONDITIONS

1. GENERAL

This request for proposal is part of a competitive selection process, which is intended to serve Southern University. As are other Colleges and Universities, Southern University is confronted with tight budgets, limited funding, and mandates to reduce its energy costs. Following the Federal Energy Regulator Commission's (FERC) new transportation policy and regulations on October 9, 1995, Southern University has attempted to reduce its energy cost by utilizing non-traditional means of purchasing its natural gas requirements. It is felt that one way is to purchase natural gas as a commodity, with the providers' (Sellers) assuming all transportation responsibilities to the point of delivery.

Southern University is seeking to establish an annual agreement that will provide its requirements for natural gas at the best price possible, as well as, assuring the University an adequate reliable source of natural gas (energy).

Any seller not bidding as specified must submit information including specification, cost and all other proposed contractual requirements.

2. INSURANCE OF REQUEST FOR BID

The issuing office for this request for proposal is

SOUTHERN UNIVERSITY – BATON ROUGE
PURCHASING DEPARTMENT
Post Office Box 9534
CLARK ANNEX, 1st FLOOR
Baton Rouge, Louisiana 70813

ATTENTION: Mrs. Linda A. Antoine, Director of Purchasing
Telephone Number (225) 771-4580
Fax No. (225) 771-2756
Email: lantoine@subr.edu

Any questions concerning this request should be addressed to:

Mrs. Linda A. Antoine, Director
PURCHASING DEPARTMENT
Post Office Box 9534
Baton Rouge, Louisiana 70813
Telephone Number (225) 771-4580
Fax No. (225) 771-2756

BID NUMBER 9914
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No negotiations, decisions, or actions shall be executed by any bidder as a result of any oral discussion with any University employee, or State consultant. Only those transactions which are in writing, signed by **Mrs. Linda A. Antoine, Director of Purchasing** will be considered as valid. Likewise, the University shall only consider communications from bidders which are signed to the attention of the Purchasing Department, Post Office Box 9534, Baton Rouge, Louisiana 70813 or fax to 225-771-2756 Attention: **Mrs. Linda A. Antoine, Director.**

The University will determine whether any addendum should be issued as a result of any questions or other matters.

SELLER

Sellers desiring to submit proposals for consideration are invited to contact the issuing office immediately concerning any questions or uncertainties about his request.

All Bids must be received by the issuing office by **10:30 A.M.- May 18, 2006**

Bid shall be clearly stated, complete and signed by an authorized agent of the company according to R.S. 38:2212(a) (c) and/or R.S. 39:1594(c)(2)(d).

Southern University reserves the right to visit prospective sellers to determine company and management capabilities required to administer this agreement.

Prospective sellers shall furnish with their proposal, a list of client references with name, address and telephone number where the seller has performed this type of services before. Sellers shall submit a minimum of five (5) client references.

REJECTION OF BID

The University reserves the right to reject any or all Bids received.

PROVISIONS-CONTRACTUAL

The Seller shall submit, with his/her proposal, all contractual provisions, which the Seller proposes as additives or revisions to those contained in this request.

EFFECTIVE DATE

The contract shall become effective on **August 1, 2006** and remain in effect through, **June 30, 2007** with an **option to renew for an annual period of three (3) additional twelve (12) month periods** with terms, conditions and pricing to be mutually agreed upon.

RENEWAL

Upon the part of the Buyer, Southern University, and with the mutual consent of both parties, Buyer and Seller, the contract may be renewed annually at the same terms and conditions of the original contract price indicated in **Attachment "A"**, for each renewal period.

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FISCAL FUNDING

If funds are not allocated for this contract in any future fiscal period, Southern University will notify the contractor at the earliest possible date, and the contract shall be cancelled. No cost shall accrue to Southern University in the event this provision is exercised (See Special Conditions-Item #6).

CANCELLATION

The Southern University Vice Chancellor for Finance and Administration reserves the right to cancel this contract upon forty five (45) days written notice to seller(s) if the services supplied as herein contracted are not in conformity with the contract resulting from this request for proposal.

The successful Seller shall furnish proof of adequate Public Liability and Property Damage Insurance prior to the issuance of a purchase order and/or executed contract.

PRICING

Pricing on this contract must remain effective from the effective date of the contract through expiration of any renewal option(s).

PRICE ADJUSTMENT

This contract is accepted with no provisions for an upward price adjustment.

OPEN MARKET CLAUSE

Attachment "A" All proposals must include responses to questions contained on Attachment "A".

Other Information – Include in all proposals, any applicable sales or marketing brochures, contracts and other documents that may facilitate the evaluation of the proposal.

PROVISIONS

Attachment "A" All proposals must include responses to questions contained on Attachment "A".

Other Information – Include in all proposals, any applicable sales or marketing brochures, contracts and other documents that may facilitate the evaluation of the proposal.

SPECIFIED DELIVERY POINT

The specified Delivery Point shall be measuring meter(s) provided and installed by Seller at the main gas distribution point located on the south side of Swan Street at Buyer's east property line.

Know gas pipeline running adjacent to or through Southern University property at the specified delivery point:

- Monterrey Pipeline (Humble Oil System) 16" line
- United Gas Pipeline Company – 12" line KOCH GATEWAY
- Mid Louisiana Gas (2) 22" line Meter #8152
- Enbridge pipeline
- Cypress Gas Pipeline

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SOUTHERN UNIVERSITY – BATON ROUGE, NATURAL GAS USAGE:

TABLE A **Natural Gas Usage indicated in MCF**

MONTH	1999 - 2000	2000 - 2001	2001- 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 -2006
JULY	7,244	9,972	8,575	744	1,418	12,822	1,587
AUGUST	7,046	9,131	2,765	2,734	2,049	13,923	1,667
SEPTEMBER	7,962	9,765	7,538	7,498	2,542	12,941	1,623
OCTOBER	11,603	13,000	13,533	8,949	8,851	15,236	2,639
NOVEMBER	14,141	20,366	17,295	14,321	12,147	18,512	4,420
DECEMBER	19,709	26,962	20,881	23,612	19,801	15,400	9,215
JANUARY	21,996	25,840	27,126	27,126	20,119	15,236	15,691
FEBRUARY	19,438	19,350	20,972	20,972	21,890	18,512	
MARCH	13,198	20,568	10,881	10,574	16,670	15,400	
APRIL	12,983	15,101	3,076	3,016	16,784	15,263	
MAY	9,602	13,880	1,833	1,800	25,416	8,674	
JUNE	9,142	15,500	1,389	1,348	16,670	14,538	
TOTAL	154,064	199,435	135,864	122,694	164,357	176,457	36,842

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SPECIAL CONDITIONS

1. Discounts for less than 1% and for less than thirty (30) days will not be considered in making awards.
2. Southern University reserves the right to reject any or all proposals and to waive any informalities.
3. Southern University is an equal opportunity employer and looks to its contractors, subcontractors, vendors and suppliers to take affirmative action to effect this commitment in its operations.
4. In accordance with Title 39:1595 of the Louisiana Revised Statutes, preference is hereby given to materials, supplies and provisions, produced, manufactured or grown in Louisiana, quality being equal to articles offered by competitors outside of the State.

(IF YOU CAN CLAIM THIS PREFERENCE, COMPLETE AND SUBMIT ATTACHMENT "B" WITH YOUR PROPOSAL)

5. Seller agrees to comply with Standard Government Contract Provisions as they relate to:
 - a. Non-segregated Facilities Requirements
 - b. Equal Employment Opportunity
 - c. Equal Employment Opportunity Reporting Requirements
 - d. Employment of Qualified Handicapped Individuals
 - e. Employment of Veterans

6. FISCAL FUNDING CLAUSE

"The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

All sellers should be aware that our legislative process, is such that, it is often impossible to give prior notices of the non-appropriation of funds.

BIDDER'S

INITIALS_____

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SOUTHERN UNIVERSITY AND A&M COLLEGE
BATON ROUGE CAMPUS
PURCHASING DEPARTMENT
POST OFFICE BOX 9534
BATON ROUGE, LA 70813

Specifications, guidelines and key terms that each proposal shall address:

SCOPE:

Southern University will consider proposals for the furnishing of natural gas as required for the Baton Rouge Campus. The maximum daily usage is anticipated not to exceed 1,200 MCF with annual consumption to be approximately 160,000 to 220,000 MCF. See Table "A" for monthly consumption figures for fiscal years' 1999-2000 to 2005-2006. The gas supplier shall deliver gas to the main gas distribution point located on the south side of Swan Street at the University's east property line. The gas shall be delivered at a minimum pressure of 25 PSIG and a maximum of 35 PSIG. The Seller, at no cost to the University, shall provide, operate and maintain appropriate metering facilities. The University reserves the right to install check meters. The University will grant the appropriate servitude and allow access the point of delivery if required.

The gas shall be delivered on a firm basis. The gas shall be commercially free from objectionable liquids or solids. The gas shall not contain in excess of three percent (3%) of volume of carbon dioxide, twenty (20) grains of sulphur per hundred cubic feet, one gram of hydrogen sulfide per hundred cubic feet. The heating value of the gas shall at all times be *no* less than nine hundred seventy-two (972) BTU'S per cubic feet.

It is desired that the contract period be on a fiscal year basis, beginning July 1 through June 30, however the initial delivery and contractual period will begin from August 1, 2006 – June 30, 2007.

SUPPLIER SHALL BE RESPONSIBLE FOR ALL METERING AND CONNECTING LINES COSTS.

CONTRACTUAL ARRANGEMENTS:

Article I: DEFINITION

- (a) The term "month" shall mean a period beginning at seven (7:00 a.m.) o'clock antemeridian on the first day of a calendar month and ending at seven (7:00 a.m.) o'clock antemeridian on the first day of the next succeeding calendar month.
- (b) The term "gas" shall mean hydrocarbons in gaseous state, or natural gas, produced from gas wells and resulting from the treatment or processing of natural gas produced from gas wells and the residue thereof.

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- (c) The term "cubic foot of gas" shall mean the volume of gas, which would occupy one cubic foot (1 CF) of space when such gas is at a temperature of sixty (60) degrees Fahrenheit and a pressure of fourteen and sixty-five hundredth pounds per square inch absolute (14.73 PSIA) with correction for deviation from Boyle's Law.
- (d) The term "CCF" shall mean one hundred (100) cubic feet of gas.
- (e) The term "MCF" shall mean one thousand (1,000) cubic feet of gas.
- (f) The term "BTU" shall mean British Thermal units.
- (g) The term "MBTU" shall mean one thousand (1,000) British Thermal units
- (h) The term "MMBTU" shall mean one million (1,000,000) British Thermal units.
- (i) The term "Delivery Point" shall mean the meter(s) at the location(s) identified on Exhibit "A", where Seller tenders gas to Buyer.
- (j) The term "Minimum Monthly Quantity" shall mean the minimum amount of natural gas Buyer hereby agrees to receive and purchase from Seller as set forth in Article IV (a), subject to adjustment as provided in Article IV (c).

Article II: TERMS

- (a) This agreement shall be effective from date of the notice of Award for first delivery of gas and shall continue through **June 30, 2007**. This agreement may be extended by mutual written consent of both parties or cancelled pursuant to other provisions of this agreement. The date of the first delivery of gas shall be as indicated on Attachment "A".
- (b) Southern University will grant the new contractor an easement to connect and interconnect with a transportation pipeline on Southern University-Baton Rouge Campus. Said easement shall allow the contractor to construct or acquire the necessary pipeline and install the appropriate measuring meter(s) to transport natural gas from a transportation pipeline to the Southern University-Baton Rouge Campus natural gas distribution system.

For and in consideration of said easement, such improvement, pipeline construction and meter(s) shall remain intact and shall become the property of Southern University upon termination of contract.

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Article III: PRICE

- (a) For each MMBTU of gas delivered to Buyer at the Delivery Point, Buyer shall pay to seller a price equal to or less than, but not more than the price stated in Attachment "A".
- (b) Notwithstanding anything to the contrary contained in this Agreement, the price by Buyer to Seller shall not exceed any applicable maximum lawful price for the gas sold by Seller. Buyer shall require Seller to provide evidence that the price being paid by Buyer is equal to or less than the maximum lawful price, if any, which is authorized to be charged for the gas delivered by Seller.

Article IV: QUANTITY

- (a) Buyer agrees to receive and purchase, and Seller agrees to use its best efforts to deliver and sell, subject to the conditions and provisions of this Agreement, a daily quantity of gas with no one day exceeding 1,200 MCF. Buyer expects to receive and purchase not less than a minimum annual quantity of gas. (See Attachment "A")
- (b) In no event shall Buyer be obligated to pay for quantity of gas in excess of that quantity of gas accepted at the delivery point.
- (c) Buyer may increase or decrease the monthly quantity as specified in paragraph (a) of this Article by as much as ten percent (10%) so long as Buyer notifies seller at least thirty (30) days in advance of the date which the change is to occur.

Article V: QUALITY

- (a) The gas delivered to Buyer at the Delivery Point shall meet the following specifications, each of which is called "Quality Specifications":
 - (1) **Water:** The gas shall be free of all water and not contain more than seven pounds of water vapor per 1,000 MCF.
 - (2) **Hydrogen Sulfide:** The gas shall not contain more than three tenths (0.3) of a grain of hydrogen sulfide per 1,000 cubic feet.
 - (3) **Total Sulphur:** The gas shall not contain more than 20 grains of total sulphur per 1000 cubic feet.
 - (4) **Temperature:** The gas shall not have a temperature of more than 130 degrees Fahrenheit.
 - (5) **Nitrogen:** The gas shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume.

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- (6) **Oxygen:** The gas shall not contain more than two tenths of one percent (0.2%) by volume of oxygen. Seller agrees further to make every effort to keep the gas completely free of oxygen.
- (7) **Objectionable Liquids and Solids:** The gas shall
- (1) be commercially free of objectionable liquids and solids and
 - (2) be commercially free from dust, gum, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of transportation through the pipelines.
- (b) All tests to determine the quality of gas other than tests to determine gross heating value shall be conducted at Buyer's sole expense and as reasonably required by approved standard methods in general use by the gas industry. Buyer shall promptly furnish Seller with copies of all test results. Buyer shall give Seller reasonable notice of all such tests in order that Seller may have its representatives present if Seller so desires.
- (c) If any gas subject hereto fails to meet any Quality Specification at the Delivery Point, Buyer shall have the right to reject such gas. If Buyer refuses to receive such gas and if Seller does not elect to treat the gas so as to cause the same to meet such Quality Specification, then Seller shall reduce or stop the delivery of gas from the wells which are producing the gas which is causing the gas stream to fail to meet such Quality Specification.
- (d) The heating standards for natural gas received by Buyer hereunder are 1,000 BTU per cubic foot (saturated) at 60 degrees Fahrenheit and 14.73 pounds per square inch absolute. The price per MCF of all gas delivered hereunder, having a gross heating value of not less than 1,000 BTU per cubic foot (saturated), shall take into account that the price determined in accordance with Article III is specified in MMBTU's by multiplying the price determined in accordance with Article III 1000 BTU per cubic foot of such gas the denominator of which is 1,000. The initial BTU determination shall be made by Seller at Seller's expense. Subsequent BTU determinations shall be made at the expense of the party requesting such test. Each party shall promptly be furnished with copies of all test results. The party conducting the test to the other party may have its representatives present, if so desired.

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Article VI: MEASUREMENT

- (a) The Seller shall install the appropriate measuring meter(s) at the specified delivery point at his/her expense.
- (b) The Seller shall keep his/her measuring equipment accurate and in good repair, making periodic tests as Seller may deem necessary. Seller agrees to give to Buyer reasonable notice of each test of Seller's equipment in order that, if Buyer desires, Buyer may have a representative present. Buyer may challenge the accuracy of Seller's equipment, and when challenged, the equipment shall be tested, to be witnessed by Buyer and repaired by Seller if found to be inaccurate. The expense of such a test, if requested by Buyer, shall be borne by Buyer if the measuring equipment by such test is found to be inaccurate by less than two percent (2%). If, by such a test, any measuring equipment in the aggregate is found to be inaccurate to the extent that it affects the measurement accuracy by an amount equal to or greater than two percent (2%), registrations thereof shall be corrected for a period extending back to the time such inaccuracy occurred, if such time is ascertainable, and if not ascertainable, than back on half of the time elapsed since the date of the previous calibration. In the event the measuring equipment is inaccurate by an amount equal to or greater than two Percent (2%), the expense of such test shall be borne by the Seller.
- (c) If, for any reason, any of Seller's meters are out of service or out of repair so that the amount of gas delivered cannot be ascertained or computed from the readings thereof or corrected under paragraph (b) of this Article VI, the gas delivered during the period such meter is out of service or out of repair shall be estimated and agreed upon by the parties upon the basis of the best data available, using the first of the following methods which is feasible:
 - (1) By using the registration of any check meter, if installed and accurately registering;
 - (2) By correcting the error if the percentage of error is ascertainable by calibration test or mathematical calculation;
 - (3) By estimating the quantity of delivery by comparison with deliveries during preceding periods under similar conditions when the meter was registering accurately.
- (d) Buyer may, at its option and expense, install and operate a check meter to check Seller meters, but the measure of gas for the purpose of this Agreement shall be by Seller's meter only, except in cases hereinabove specifically provided to the contrary. Any check meters installed shall be of standard type and shall be subject at all reasonable times to inspection or examination by Seller, but the reading, calibration, and adjustment thereof and changing of charts shall be done only by the employees or agents of Buyer.
- (e) Seller must arrange to have each meter chart changed each week and on the last day of each billing period. The charts and records from Seller measuring equipment shall remain the property of Seller and shall be kept by Seller on file for a period of not less

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than three years. Buyer shall receive a copy of metering chart(s) and calculations for each month's billing.

- (f) The atmospheric pressure at the Delivery Point shall be assumed to be 14.73 PSIA.
- (g) The gas delivered hereunder shall be measured in accordance with the provisions of Gas Measurement Committee Report #3 of The American Gas Association, as revised and reprinted September 1969, with any subsequent amendments or revisions (hereinafter Report No. 3).
- (h) The temperature of the gas shall be determined by a recording thermometer so installed that it may record the temperature of the gas flowing through the meters. The integrated average of the recorded temperatures to the nearest one degree Fahrenheit, obtained during the month while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.
- (i) The specific gravity of the gas shall be determined on the first day of each calendar month by Seller using a portable gravitometer. The reading obtained will be used in computation of gas volumes for the month.
- (j) Adjustments for the effect of super compressibility shall be made according to the provisions of Report No. 3 for the average conditions of pressure, flowing temperature, and specific gravity at which the gas was measured during the period under consideration.
- (k) All meters installed by the Buyer or the Seller shall conform to the requirements set forth in any applicable gas transportation contract by a pipeline transporter of the gas to be delivered hereunder in order that the conditions and requirements imposed by the transporter of the gas will also be imposed on both the Buyer and Seller. In the event there is a modification of terms, conditions, or requirements of any such contract, the same modification will be deemed to be applicable to the Buyer's or Seller's meter as appropriate.

In the event a transporter elects to waive any such requirements, then such requirements will be deemed to be waived at the Buyer's and Seller's meter also.

Article VII: ACCOUNTING

- (a) Seller shall furnish Buyer with a statement showing the total quantity of gas received by Buyer during the preceding month at the Delivery Point and the gross heating value thereof within fifteen (15) days following the month in which gas was delivered to Buyer. Buyer shall make payment to Seller at the following address: (See Attachment "A"). Payment shall be by check within fifteen (15) days following the month in which gas was delivered to Buyer at the Delivery Point.
- (b) Each party shall have the right at reasonable hours to examine the books, records, and charts of the other party to the extent necessary to verify the accuracy of any statement, payment, calculation, or determination, made pursuant to the provisions of this Agreement. If such examination shall reveal, or if either party shall discover, any error of inaccuracy on its own or the other party's statement, payment, calculation, or

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determination, then proper adjustment and correction thereof shall be made as promptly as practicable thereafter.

Article VIII: TAXES

- (a) Seller shall pay or cause to be paid all taxes and assessments, including sales taxes, with respect to the gas delivered hereunder which are applicable prior to delivery to Buyer, and Buyer shall pay or cause to be paid all taxes and assessments with respect to gas delivered hereunder after it passes Delivery Point. Neither party shall be responsible or liable for any taxes or other statutory charges levied or assessed against any of the facilities of the other party used for the purpose of carrying out the provisions of this agreement.

Article IX: WARRANTY

- (a) Seller warrants that either;
 - (1) It owns legal title to, and all beneficial interests in one hundred percent (100%) of the working interest of all gas delivered pursuant to the terms of this Agreement and further warrants that all royalty payments of any nature attributable to the gas to be delivered hereunder are payable in money rather than in kind, or
 - (2) In the event that Seller is not the sole owner of the entire working interest or if royalty payments are payable in kind, Seller possesses full authority to dispose of said production by delivery and sale to Buyer hereunder, or;
 - (3) It has obtained warranties similar to those expressed in (1) or (2) above from the entity from whom it has purchased gas for delivery hereunder. Seller also warrants that the gas to be delivered hereunder is free from all liens and adverse claims and encumbrances of every kind and agrees to indemnify Buyer against all suits, actions, debts, accounts, damages, cost (including attorney fees), losses and expenses arising from and out of adverse legal claims of any and all persons to, or against, the gas hereunder delivered.
- (b) Seller agrees to pay or cause to be paid to the parties entitled thereto all royalties, overriding royalties, payments out of production, and other like charges applicable to gas hereunder delivered to Buyer. The Buyer shall not be responsible for any claims connected with or arising out of Seller's lease payments. Upon request of Buyer, Seller shall provide proof of lease payments.
- (c) In addition to Buyer's right of defense and indemnity, if Seller's title or right to receive payment is questioned or involved in any action, Buyer may withhold payment, without interest, or sums due hereunder until Seller's right to receive payment is free from such question and/or such action is finally determined or until Seller has furnished bond in any amount sufficient to hold Buyer harmless with a surety which is satisfactory to Buyer.

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Article X: NOTICES

- (a) All notices to be given hereunder shall be in writing and shall be sent by certified mail to the respective designee hereafter in writing from time to time:

To Seller: (As indicated on Attachment "A")

To Buyer: Director of Purchasing
Attn: Linda Antoine
Southern University-Baton Rouge
Post Office Box 9534
Baton Rouge, Louisiana 70813

Notices are effective only upon receipt.

- (b) Buyer shall notify Seller (or such representative as Seller may designate from time to time) in writing, of changes in Buyer's gas dispatching requirements at least one week in advance. In the event written notice will not arrive at least one week in advance, but oral notice will meet the time requirement, then an oral request for changes in Buyer's requirements shall be made to Seller and shall be confirmed by Buyer in writing within two (2) days after such request.

Article XI: LIABILITY

- (a) Gas shall be delivered hereunder at point(s) mutually agreeable to buyer and Seller. The exact point at which delivery shall be deemed to be made, and the point at which title to the gas sold hereunder shall pass and at which custody of substance delivered with gas shall pass, shall be the Designated Delivery Point.
- (b) As between the parties hereto, seller shall be in control and possession of gas and liquid hydrocarbons and responsible for any injuries, claims, liabilities or damages caused thereby until the same shall have been delivered to Buyer, and after such delivery, Buyer shall be in possession and control thereof and responsible for any injuries, claims, liabilities, or damages caused thereby. The party in possession of the gas shall indemnify the other party in respect of any injuries, claims, costs, fees, liabilities, or damages arising from any occurrence, incident or status attributable to a time when the gas is in such party's possession.
- (c) Seller shall be responsible for, and pay all costs for the design, construction and operation of facilities necessary to deliver Seller's gas to the Delivery Point and tie-ins to the Buyer's Distribution System.

Article XII: ASSIGNMENT

This Agreement shall be binding on and insure to the benefit of the parties hereto and their respective successors and assigns, but may not be assigned without consent of the other party, such consent not to be unreasonably withheld.

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Article XIII: FORCE MAJEURE

- (a) Except with regard to the payment of money, if Seller or Buyer is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, Seller or Buyer shall give to all other parties prompt written notice of the force majeure with reasonable and full particulars thereof; thereupon, the obligations of Seller or Buyer so far as they are affected by the force majeure, shall be suspended during the continuance of the force majeure. Seller or Buyer shall use all reasonable diligence to remove the force majeure as quickly as possible. If said force majeure continues for more than thirty (30) consecutive days, either party can terminate this Agreement after the 30th day by giving written notice to the other party. Any liabilities which arise from transactions or occurrences prior to such termination shall survive the termination of this Agreement.
- (b) The requirement that any force majeure shall be remedied with all reasonable diligence shall not require the settlement of strikes, lockouts, or other labor difficulty; contrary to the wishes of the party suffering the difficulty. The manner in which such labor difficulties shall be entirely within the discretion of the party affected.
- (c) The term "force majeure" as here employed shall mean an act of God, strike, lockout, or other industrial disturbances, act of the public enemy, war, blockade, public riot, lightening, fire, storm, flood, freeze, explosion, governmental restraint, unavailability of equipment or materials, wellhead freeze ups, pipeline breakage, pipeline freeze, and any other cause, whether of the kind specifically enumerated above or other wise, which is not reasonably within the control of the parties.
- (d) If Buyer is unable to accept delivery of this gas because of governmental action or by virtues of Article V above, its obligations under this Agreement are suspended for the duration of such action.

Article XIV: MISCELLANEOUS

This Contract is contingent upon Seller obtaining suitable transportation arrangements to transport Seller's gas to the Delivery Point, to include tie-ins to the Buyer's distribution system. Seller shall obtain such arrangements within thirty (30) days of the date of this Contract or Buyer may terminate this Agreement after giving two weeks written notice after the expiration of the thirty (30) day period.

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ATTACHMENT "A"

REQUEST FOR BID NUMBER 9914

DIRECT PURCHASE OF NATURAL GAS BY END-USER

(SCHEDULE AND EXECUTION OF PROPOSAL)

COMPANY NAME:

ADDRESS _____ **ZIP CODE** _____

TELEPHONE NUMBER () _____

By: _____

Evidence of authority to submit the bid shall be required in accordance with R.S. 38:2212(a)(1)(c) and or R.S. 39:1594 (c)(2)(d).

DATE _____

I. PRICING:

The price per **MMBTU**, which includes the gas supply, the pipeline transportation and any other associated cost involved in getting the gas supply to the designated point of delivery, be \$ _____ per **MMBTU** for the period **August 1, 2006** through **June 30, 2007** and \$ _____ per **MMBTU** for the period **July 1, 2007** through **June 30, 2008** and \$ _____ per **MMBTU** for the period **July 1, 2008** through **June 30, 2009** and \$ _____ per **MMBTU** for the period **July 1, 2009** through **June 30, 2010**.

II. TRANSMISSION AND NETWORKING CAPACITY

A. Indicate routing to the specified delivery point.

B. State whether Seller's firm has experienced an interruption of gas service through its transportation pipeline during the past twelve (12) months. **EXPLAIN**

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III Experience:

List five (5) reference with name, address, and telephone numbers where Sellers has performed this type service within the last eight (18) months; and also indicate if seller has always fulfilled its price commitments to all customers.

1. Name _____
Address _____
Telephone No. _____
2. Name _____
Address _____
Telephone No. _____
3. Name _____
Address _____
Telephone No. _____
4. Name _____
Address _____
Telephone No. _____
5. Name _____
Address _____
Telephone No. _____

IV. Dependable Assurance of Uninterrupted supply:

- A. Does Seller have actual gas reserves standing behind this sale? Explain

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B. Will Seller have title to the gas for the full contractual term of deliveries? Explain

C. Does Seller rate any special priority with the transportation pipeline when demand for gas is highest and space on the pipeline is limited? Explain

V. Will Seller, if awarded a contract, meet an effective initial delivery date of?

VI. Are there any option(s) provided in case of pipeline transportation curtailment?

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VII. Other Information

1. BTU rating of GAS _____
2. Minimum daily purchasing requirements* _____

3. Bidder's sample contracts and proposal language: _____

Note: Out-of-State firms that may be awarded a contract as a result of this request for Proposal agree to signing a certificate stating: "I hereby certify that I have paid to the state and its subdivisions all taxes duly assessed by the State of Louisiana and its subdivision, including Franchise Taxes, Privilege Taxes, Sales Taxes and all other taxes for which I am liable." Said certificate shall accompany firm's invoice.

*It is expected that annual usage will be from **150,000 MCF to 180,000 MCF**.

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Attachment "B"

Special Conditions Return this page with Proposal

R.S.39:1595 – Preference for products produced, manufactured, assembled, grown or harvested in Louisiana. If you qualify for any one of these preferences by standards set forth in these statutes, please indicate on the form provided below.

Specify percent of preference claimed, the name of the manufacturer, producer or supplier to you, and the location within Louisiana where the product(s) is (are) produced, manufactured, assembled, grown or harvested, as appropriate to the item.

LOUISIANA PREFERENCE

PERCENT

Produced _____

Manufactured _____

Assembled _____

Grown _____

Harvested _____

Location: _____

I certify that the above information is true and accurate and that the Seller is entitled to the preference claimed.

Signature Date

Title

IN ORDER TO QUALIFY FOR A PREFERENCE THE SELLER MUST SUPPLY THE ABOVE INFORMATION AND THE CERTIFICATION MUST BE SIGNED.